

## Essential Health Benefits: Basic Facts and State Options

**The federal government allows states to determine an Essential Health Benefit (EHB) benchmark that reflects the benefits typically offered through small employer health plans. Insurers use the EHB benchmark as a reference point to create individual and small group health plans that offer coverage of equal or greater value within specified categories of coverage, including hospitalization, prescription drugs, maternity care, and rehabilitative services. Additional information about the EHB benchmark selection process and the Illinois EHB benchmark is below.**

### What are Essential Health Benefits (EHBs)?

The federal Affordable Care Act (ACA) ensures health plans offered in the individual and small group markets, both inside and outside of the Health Insurance Marketplace, offer a comprehensive package of items and services, called EHBs.

To set a standard for the comprehensive package of benefits that health plans must cover, the ACA created 10 EHB categories:

1. Ambulatory care;
2. Emergency services;
3. Hospitalization;
4. Pregnancy, maternity, and newborn care;
5. Mental health and substance use disorder services, including behavioral health treatment;
6. Prescription drugs;
7. Rehabilitative and habilitative services and devices;
8. Laboratory services;
9. Preventive and wellness services and chronic disease management; and
10. Pediatric services, including oral and vision care.

### What is the EHB benchmark?

The EHB benchmark is a reference point for the scope of benefits that must be covered for most health plans sold in the individual and small group markets. These plans must offer benefits of equal or greater value compared to the benefits within the EHB benchmark for each of the 10 EHB categories.

### How do states select the EHB benchmark?

The federal government provides specific plans for the state to choose between when determining the EHB benchmark. Previously, HHS let states choose between plans offered in their state in the first quarter of 2012 to determine the EHB benchmark beginning in Plan Year 2014. Now, HHS is letting

states choose between plans that were offered in their states in the first quarter of 2014 to determine the new EHB benchmark beginning in Plan Year 2017.

To determine the EHB benchmark, states chose between 10 base-benchmark plans:

- The three largest small group plans by enrollment in the three largest small group insurance products by enrollment in the state's small group market;
- The three largest state employee health plans by enrollment in the state;
- The three largest federal employee health plans by enrollment; or
- The largest insured commercial non-Medicaid health maintenance organization (HMO) plan in the state.

### What if the base-benchmark plan does not include an EHB category?

If the base-benchmark plan does not include any of the 10 EHB categories, the state must supplement the missing EHB category with coverage from a different plan. The Children's Health Insurance Plan (known as All Kids in Illinois) or the largest federal employee dental or vision plan by enrollment may be used as the EHB benchmark for pediatric vision or pediatric dental services. Also, the federal definition for habilitative services may be used as the EHB benchmark for habilitative services.

### Are plans required to offer the same benefits as the EHB benchmark?

No, plans can change the specific benefits covered within the 10 EHB categories as long as the value of coverage within the category is not reduced and as long as it is not done in a discriminatory way.

### Does the EHB benchmark determine benefit administration or cost-sharing guidelines?

No, the EHB benchmark sets a floor for the scope of the benefits covered in each of the 10 EHB categories, but it does not set guidelines for the type of plan (e.g., PPO vs. HMO), benefit administration (e.g., requiring utilization reviews), premiums, or cost-sharing (e.g., deductibles or co-pays).

### What is Illinois' EHB benchmark today?

The current EHB benchmark is the BlueCross BlueShield of Illinois "BlueAdvantage" small group plan, supplemented with the All Kids dental package and the federal employee BlueVision package.

### What is Illinois' new EHB benchmark recommendation?

Beginning in Plan Year 2017, Illinois recommends that the EHB benchmark be the BlueCross BlueShield of Illinois "Blue PPO Gold 011" small group plan, supplemented with the All Kids dental package and the federal definition for habilitative services. Pediatric vision is already included within the "Blue PPO Gold 011" small group plan and does not need to be supplemented.

This EHB benchmark recommendation is most similar to the state's current EHB benchmark. It also meets the state's goals of recommending an EHB benchmark that provides comprehensive coverage, would not be expected to increase the cost of coverage, and minimizes market disruption.